GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:105
ANSWERED ON:17.02.2009
CLOSURE OF TEA ESTATES
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether a large number of tea estates in the country are lying closed;

(b) if so, the details thereof alongwith the period since when they have remained closed, State-wise;

(c) whether the Government has commissioned any study to ascertain the causes behind these closures;

(d) if so, the details thereof;

(e) the number of such estates revived / reopened, State-wise; and

(f) the steps taken by the Government for revival/reopening and also for modernisation of these tea estates?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) & (b): As on date only 17 tea gardens − 12 in West Bengal, 5 in Kerala are lying closed. The details are as follows:

State: West Bengal

Sl.no	Name of tea estate	Closed since
1	Ramjhora	10.08.2002
2	Katalguri	22.07.2002
3	Chamruchi	02.04.2004
4	Raipur	05.07.2005
5	Samsing	25.11.2005
6	Bamondanga-Tondoo	18.11.2005
7	Chinchula	Mid Dec.2005
8	Shikarpur -Bhanderpur	18.10.2005
9	Raimatang	04.03.2006
10	Kalchini	04.03.2006
11	Red bank	2004
12	Dheklapara	11.03.2006

State:Kerala

Sl.no	Name of tea estate	Closed since
1	Lone Tree	December, 2000
2	Peermade	
3	Koliekanam	01.01.2004
4	Mount	01.04.2003
5	Tungmullay	01.12.2003

(c) & (d): Yes, Sir. The Government of India appointed three Expert Committees, in January 2003, to make an in − depth study of 36 closed tea gardens in the States of West Bengal (19 gardens), Kerala (11 gardens), Assam (3 gardens) and Tripura (3 gardens). The Committees revealed following reasons for sickness/closure:

(i) Almost all the gardens were private limited (unlisted) companies, or family managed enterprises and none of the gardens belonged to any large tea corporate/agency house.

(ii) (a) poor condition of the estates including the plantations & factories
(b) poor yields and consequent failing quality & price realizations
(c) Uneasy industrial relations scenario,
(d) "Remote Control "style of management,
(e) weak financial position & requirement of investment in factory/estate infrastructure.

(iii) Accumulation of huge losses and default in payment of the statutory/loan liabilities.

(iv) The investment also required in the plantation with the focus being on a long term programme to improve yields (through systematic uprooting and replantation and /or extension) and improvement in garden management practices. For most gardens, an average per garden investment of between Rs. 1.0 to 2.5 crores over a 10 year period is required to improve the plantation.

(e): The details are as follows:

Sl.no	Name of Tea Estates	Date of reopening
State: Kerala		
1.	Kottamullai	11.06.2007
2.	Bon Ami	11.06.2007
3.	Vagamon	11.06.2007
4.	Munjuamalai	25.06.2007
5.	Thengakal	25.06.2007
6.	Pambanar	25.06.2007
7	Nellikai	25.06.2007
8	Bonacord	11.04.2007

9 Methanathu 10.07.2007

10 Vengakotta 03.10.2007

11 Granby 28.07.2008

12 Passumullay 28.07.2008
State: West Bengal

1 Surendra Nagar 17.05.2007

2 Bharnobari 28.04.2008

State: Assam

1 & 2 Hatticherra and Subhong 28.08.2008

(f): The Government of India announced rehabilitation package for 33 nos. of closed tea gardens closed as on 1.4.2007. This package provides for restructuring of outstanding bank loan into a fresh term loan and payable over a period of ten years and sharing of the accumulated interest @1/3 each by Government, the concerned bank and the borrowers, 3%interest subsidy on working capital for five years, payment of PF dues relating to damages in installments over 10 years, complete waiver of Tea Board outstanding loan, extension of Board's tea developmental schemes etc. From Tea Board, a lump−sum grant @ Rs. 1000 per worker for assistance for educational support for wards of workers and disabled persons of closed tea estates was extended during 2007-08 and 2008-09 from Human Resource development Scheme.

The Government of West Bengal has decided to draw up a complete package of benefits including electricity dues, salami, land revenue and agricultural cess etc. for facilitating the existing owners to reopen the garden either on their own or through new owners identified by the garden owner.

The Government of Kerala has also offered many supports i.e. Free noon meal to all school going children, Wage employment under SGRY scheme, Placement of fund of Rs.5.00 Crore with the district administration, Idukki (where most closed tea gardens are located) for providing uniform and essential school books to school going children and for providing medicines to garden workers where public health system is unable to provide medical facilities, Ex-gratia amount of Rs.500.00 per worker on account of Onam Festival and Educational expenses for pursuing graduation course for the wards of the garden workers.

As regards modernization of the tea estates, a scheme called Quality Upgradation and Product Diversification scheme is already in operation.